

Memorandum

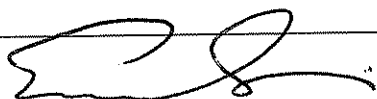
TO: Debra Figone

FROM: Albert Balagso

SUBJECT: PRNS PRICING CHANGES

DATE: 1-20-11

Approved



Date

1/21/11

RECOMMENDATION

Authorize Parks, Recreation and Neighborhood Services (PRNS) to implement pricing changes for San Jose Family Camp 2011 Season.

BACKGROUND

Beginning in 2009-2010, as part of the Pricing and Revenue Policy (Council Policy 1-21), the City Manager or designee has been granted the authority to set PRNS user fees previously outlined in the Fees and Charges document, thereby increasing PRNS' ability to increase cost-recovery goals, ensure affordable access, and preserve existing services by decreasing PRNS' dependence on the General Fund.

On July 10, 2009, PRNS submitted to the City Manager the first Pricing Changes memo that included a number of new user fees and incremental fee increases to existing fees. In the October 19, 2009, Pricing Changes memo, the Director of PRNS requested, and was granted, authority to establish pricing pilot programs of up to six months in duration. Since then, two additional Pricing Changes memos have been approved. In this third memo of 2010-2011, and sixth memo overall, PRNS seeks to increase fees for the Family Camp program.

The Family Camp proposed pricing changes were developed in a manner consistent with the Pricing and Revenue Policy and with City Council Direction set in March 2009 mandating Family Camp is 100% cost recovery. Once approved, the pricing will be posted for public reference on the Internet, in the Citywide Activity Guide, in brochures, and at community/neighborhood facilities.

ANALYSIS

For 2010-2011 pricing, PRNS continues to analyze its multiple programs and services for market trends, cost recovery goals, and community needs so that the recommended fee changes can best support the 2010-2011 budgeted revenue targets and cost-recovery rates while ensuring "affordable access." In reviewing the 63 fee line items in the Fees and Charges document for Family Camp, staff is proposing to increase fees for 22 line items that affect summer, pre and post season reservations. Fees not altered with this pricing memo primarily reflect cancellation and refund fees.

The Family Camp cost recovery pricing methodology includes salary, with 28% retirement and 25% fringe, non personal expenses, capital expenses associated with the lease payment and infrastructure improvement allocations, and a 17% overhead rate. The overall projected expenses and revenue to operate Family Camp between June 17 and October 30 are outlined below:

Expenses	Revenue		
Personal Services	\$348,506	Summer Reservations	\$740,880
Non-Personal	\$271,248	Store	\$ 32,000
Lease Payment	\$ 40,000	Post Season	\$ 35,000
Infrastructure Imprv.	\$ 30,000		
Sub Total	\$689,754		
Overhead 17%	\$117,258		
Total	\$807,012	Total	\$807,880

Family Camp 2011 Season Rates

This proposal recommends rate increases in Summer Camp reservation fees to ensure camp retains its 100% cost recovery requirement. The proposed fees were analyzed against four other municipal camps in the Tuolumne area and priced competitively so that San Jose Family Camp can attract a significant segment of the market. To ensure affordable access, San Jose Family Camp has \$35,000 in funding to support its campership program so that financial assistance can be made available to families in need of assistance. Camperships provide up to 50% funding for a maximum four night stay. The new summer, pre and post season pricing structure is recommended to be set as follows:

A. **Summer Season Rates:** The Season typically runs from June through August. The 2011 Season is scheduled from June 17 – August 12. Rates effective January 28, 2011.

a. Rates per night, per person: includes lodging, use of facilities, programs and three in-house meals:

Current			Proposed		
Age Group	Residents Rates	Non-Resident Rates	Age Group	Resident Rates	Non-Resident Rates
Adult	\$55	\$78	16+	\$70	\$92
10-15 years	\$45	\$62	10-15 years	\$53	\$73
6-9 years	\$33	\$44	6-9 years	\$40	\$52
3-5 years	\$23	\$31	3-5 years	\$28	\$37
Under 3 years	No Charge	No Charge	Under 3 years	No Charge	No Charge

b. Reservations for fewer than three consecutive nights shall pay a surcharge, unless the reserving party is willing to accept tent assignment less than 14 days prior to arrival date:

15% **Current** 10% **Proposed**

- c. Utility use fee for tents supplied with electricity (per night):

\$4.00 **Current**

\$8.00 **Proposed**

- d. Reservations requesting a single occupancy shall pay an additional fee per night, unless the reserving party is making the reservations less than two weeks prior to arrival date:

\$12.00 **Current**

\$24.00 **Proposed**

- e. A discount in camp rates will be applied to reservations for Family Camp's opening weekend (Friday and Saturday only):

25% **Current**

20% **Proposed**

- B. **Pre and Post Season Rates:** Pre Season typically begins in mid to late April and ends at the end of May or beginning of June. Post Season typically begins at the beginning of September and ends in October. A pre/post season night runs from 2:00 pm to 1:00 pm the next day. Definition of a group is two or more tents.

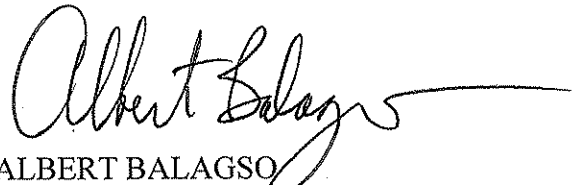
	Current	Proposed
A. Rate Per Night, Per Tent	\$22.00	\$25.00
B. Rate Per Night, Per Cabin ("S" or "K" tent series – accommodates up to 4)	\$0	\$60.00
C. Utility Use Fee for tents with electricity	\$4.00 per night	\$8.00 per night
D. Rental per night of Kitchen/Dining Hall: includes on-site Food Service Supervisor	\$370.00	\$450.00
E. Rental per night of Tuolumne Room	\$65.00	\$70.00
F. Large Group Tent Discount Package (generally a maximum of 60 tents in 100-800 tent series). Additional tents may be available at Director's discretion and subject to availability.	Current \$1,200.00 per night, plus \$22.00 per additional 100-800 tent, as available, for each tent over 60	Proposed \$1,400.00 per night, plus \$25.00 per additional 100-800 tent, as available, for each tent over 60
G. The following amount shall be charged for staffing of groups requesting use of Family Camp operations, restroom facilities, tent preparation, facility set-up and basic maintenance.		
<u>Groups with expected tent use:</u>	Current	Proposed
2 – 6 tents	\$50.00	\$75.00
7 – 19 tents	\$150.00	\$200.00
20 – 39 tents	\$200.00	\$250.00
40 and over tent reservations	\$275.00	\$350.00

NEXT STEPS

To comply with PRNS' own community outreach commitments, all fee changes, once approved, will be advertised in the Citywide Activity Guide, in brochures, on the Internet and at community/neighborhood facilities. In addition to pricing changes, PRNS continues to evaluate marketing and promotional opportunities to increase overall revenue through increased program participation.

COORDINATION

This item has been coordinated with the City Manager's Budget Office.

A handwritten signature in black ink, appearing to read "Albert Balagso", with a long horizontal flourish extending to the right.

ALBERT BALAGSO
Director of Parks, Recreation and
Neighborhood Services

For questions please contact Julie Edmonds-Mares, Assistant Director, at 535-3556.